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ABSTRACT

One of the most controversial issues in contemporary education policy--school choice--plays a prominent part in the newly revised Elementary and Secondary Education Act (ESEA 2001) legislation. In fact, ESEA 2001 provides support for public school choice through a number of provisions, including the Innovative Programs, Public Charter Schools Program, and Voluntary Public School Choice provisions. This policy brief focuses on magnet schools, open enrollment, and charter schools in that they are covered by ESEA 2001 provisions. Research says that different programs reach low-income families differently. Yet, almost without exception, parents who enroll their children in choice programs report high levels of satisfaction. Evidence is ambiguous with regard to student achievement and school choice. Policy concerns include the possibility of stratification of the student body, space, transportation, and funding. As states and districts implement public school choice strategies under the new ESEA, they need to closely monitor the quality and equity that results from these programs. This brief concludes with a short list of resources for states to consider as they implement the ESEA. (RT)

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No Child Left Behind Policy Brief
School Choice

By Carl Krueger and Todd Ziebarth

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Education Commission of the States

No Child Left Behind Policy Brief

School Choice

By Carl Krueger and Todd Ziebarth

This is the fifth in a series of ECS reports examining the impact of No Child Left Behind (NCLB), the newly revised Elementary and Secondary Education Act on state policy and policymaking. Other reports will focus on accountability, leadership, literacy, state information systems and teaching quality.

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Education Commission of the States
700 Broadway, Suite 1200
Denver, CO 80203-3460
303.299.3600
Fax: 303.296.8332
www.ecs.org

One of the most controversial issues in contemporary education policy – school choice – plays a prominent part in the newly revised Elementary and Secondary Education Act (ESEA) legislation. In fact, the new ESEA provides support for public school choice through a number of provisions, including the Innovative Programs, Public Charter Schools Program and Voluntary Public School Choice provisions.

What is School Choice?

School choice programs aim to increase education options for students and their families and reconfigure the landscape of education in America. The different components of choice, ranked from the least to the most controversial, are:

1. **Magnet Schools:** These institutions usually serve as specialty schools that focus on a certain curricular area like science or the performing arts. In many cases, in order to promote racial integration in the public schools, students from different school districts attend magnet schools.
2. **Open Enrollment:** Intradistrict open enrollment allows parents to send their children to a public school of their choice within their school district. Interdistrict open enrollment allows them to send their children to a public school of their choice in surrounding school districts.
3. **Charter Schools:** Founded by parents, educators, community groups or private organizations, charter schools are essentially deregulated public schools. They are funded with public taxpayer money and exchange a decrease in regulations and requirements for an increase in accountability.
4. **Tax Credits and Deductions:** Tax credits and deductions allow parents to redirect their tax dollars to offset some of the expenses incurred by sending their child to a private or public school.
5. **Vouchers:** Vouchers are payments made to a parent, or an institution on a parent's behalf, to be used to pay for a child's education expenses, usually at a private or parochial school. Though some voucher programs are financed through private sources, others use public tax dollars to fund tuition at private institutions.

Proponents of choice programs contend that the competition brought about by choice breeds greater accountability for results, improved diversity of schooling options and quality in both the public and private school sectors. Critics charge that choice programs divert funds and resources away from the most troubled public schools and stratify an already underserved public student body.

In keeping with the public school choice provisions within the new ESEA, this policy brief focuses on magnet schools, open enrollment and charter schools.

School Choice and ESEA

The new ESEA legislation puts a great deal of faith in the school choice movement, increasing federal support for charter schools and other voluntary public school choice programs. The breakdown of notable choice options is as follows:

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- **Innovative Programs (Title V, Part A, Sec. 5101):** School districts may receive grants to support charter schools, magnet schools and public school choice programs. Participation is voluntary.
- **Charter School Programs (Title V, Part B, Subpart 1, Sec. 5201):** Grants are distributed to state education departments and existing charter schools for the planning, design and implementation of charter schools. Only states with existing charter school laws are eligible for this funding. Participation is voluntary.
- **Credit Enhancement Initiatives To Assist Charter School Facility Acquisition, Construction and Renovation (Title V, Part B, Subpart 2, Sec. 5221):** This provision was included in ESEA, but Congress did not provide funding to support it. If the federal government provides funding for it, government entities or private, nonprofit organizations will be able to apply for grants to help charter schools offset the costs of acquiring, constructing and renovating facilities. Participation will be voluntary.
- **Voluntary Public School Choice (Title V, Part B, Subpart 3, Sec. 5241):** State departments of education, school districts or partnerships between state departments or districts and public, for-profit or nonprofit organizations may receive grants on a competitive basis to provide students and parents with greater public school choice options. Participation is voluntary.
- **Magnet Schools Assistance (Title V, Part C, Sec. 5301):** Grants are distributed to school districts or a consortia of districts to establish and operate magnet schools in districts under a court-ordered or federally approved voluntary desegregation plan designed to reduce minority-group isolation in elementary and secondary schools. Participation is voluntary.

Most of the public school choice programs in ESEA are voluntary. If, however, a school fails to meet the state standard for "adequate yearly progress" (AYP) for two consecutive years, a school district is obligated to provide students at that school the option of attending a higher-performing public school within the same district and must also provide transportation (for more information, see the *ECS ESEA Policy Brief* on *Low-Performing Schools*). Students who are the victims of a violent crime on school grounds will also be given the option of transferring to a safer public school.

What the Research Says

Reaching Students from Low-Income Families

Simply stated, it depends on the type of public school choice program. Magnet schools, open-enrollment programs and charter schools attract different segments of the student population, and their attempts to provide disadvantaged students with greater education options have produced mixed results.

Although designed initially to reduce ethnic segregation and promote a diverse student body, magnet schools now primarily attract higher income students. According to the U.S. Department of Education, although enrollment in magnet schools has tripled in the past decade, low-income students remain underrepresented in most programs.[1] This is because

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families with the greatest amount of resources typically have access to information regarding magnet programs that poorer families lack. One researcher found that whether parents even know of the term "magnet school" depended on a parent's ethnicity and income level.[2]

Since academic magnet schools often apply a high degree of selectivity to their admissions process, high achieving students are often separated from lower-achieving peers, clustering struggling students in low-performing schools. Career magnet schools in places like New York City, for example, reduce ethnic and class separation through a lottery system that accepts students randomly.

In open-enrollment programs, despite efforts to reach out to low-income and minority children, middle- and upper-class students still comprise the bulk of participants. Similar to parents who choose magnet programs, middle or upper-income families typically have the time, resources and education levels necessary to investigate open-enrollment options. Simply knowing what choices exist and how to apply for them contributes to increased participation in the programs.

For example, a study of the New York City citywide open-enrollment program found a lack of publicity and a complex application process limited the effectiveness of the plan in reaching out to low-income families.[3] A study of the Boulder Valley School District's open-enrollment system in Colorado found that high-achieving white students tended to be the ones fleeing low-performing public schools for charter or schools in wealthier neighborhoods.[4] This is mainly the result of a familiarity with the options and an understanding of how to navigate the system. Minnesota seems to be having the greatest success in involving minority students with their statewide open-enrollment plan, with 40% minority student participation.[5]

Of the three public school choice programs in ESEA, charter schools serve the greatest number of minority and low-income children. According to figures from the U.S. Department of Education, charter schools enrolled a larger percentage of students of color than all public schools in the states with charter schools. Charter schools in Connecticut, Illinois, Louisiana, Massachusetts, Michigan, Minnesota, New Jersey, North Carolina and Texas actually enroll a much higher percentage of minority students than all public schools in those states. In the states that have charter programs, charter schools also enroll a slightly higher percentage of students eligible for free or reduced priced lunches.[6] On the flip side, charter schools have served a slightly lower proportion of students with disabilities than all other public schools.

Parental Satisfaction

Almost without exception, parents who enroll their children in choice programs report high levels of satisfaction. This is due to increased input into the management, instruction and curriculum of choice schools. Charter schools in particular appear to garner high-approval ratings because of their emphasis on parental involvement. Preliminary evidence shows that some choice programs increase test scores, which can also create high levels of parental satisfaction.

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Student Achievement

The issue of student achievement related to school choice is undecided. There is evidence that test scores in some choice schools are higher than in traditional schools, but preliminary research suggests that magnet schools, open-enrollment programs and charter schools experience varying levels of achievement.

Magnet schools feature the highest levels of student achievement. According to a study of magnet schools in California, learning gains among magnet school students far exceeded those of similar students in public schools.[7] The greater selectivity of magnet programs and their emphasis on high academic achievement may be one reason for this disparity. Another may be the fact that the amount of money spent per pupil is higher in magnet schools than other public schools. Research shows that magnet programs also attract better-qualified teachers.[8]

In contrast to magnet schools, gains by students in open-enrollment programs are mixed. In Colorado's Boulder Valley School District, open enrollment is seen as a "zero-sum game – a situation in which some schools do better only at the expense of others doing worse."[9] Studies have found that well-performing schools tend to attract a greater number of high-achieving students, thus increasing already high levels of student achievement at certain schools, and concentrating low levels of student achievement at others. Those wealthy – or lucky – enough to get into a top school see gains in achievement. The same, however, cannot be said for those who are left behind.

Charter schools have also yet to yield any definitive results on their effectiveness, despite the attention they receive from both supporters and opponents. A recent study conducted in Arizona found that charter school students showed stronger gains on reading tests than their counterparts in public schools.[10] Another recent study in Michigan, however, found that charter school students actually performed below traditional school students on statewide exams.[11] Until more data can be synthesized, the issue of charter school impact on student performance will remain debatable.

In the end, the jury is still out regarding public school choice and student achievement. More research and evidence is needed to understand the long-term benefits or detriments of public school choice programs' effect on student learning.

Policy Challenges and Opportunities

If implemented properly, the school choice provisions in the new ESEA may help to remove some of the barriers that income and race pose to public education, and allow a wider array of families to benefit from the school choice movement. In order to allow a wider array of families to benefit, however, school choice policies and programs must work to resolve challenges in four areas: stratification, space, transportation and funding.

Stratification

Stratification of the student body by achievement level, income and race is an ongoing problem in some public school choice programs. In some instances, particularly regarding the charter school movement, public school choice programs have successfully reached

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out to low-income students. In others, though, public school choice has failed to adequately serve these students. Half the battle is simply getting the word out to low-income families, letting them know and understand their school choice options and how to take full advantage of these options. Greater outreach and assistance for low-income families who are either unaware or unsure of their options may alleviate some of the disparity among students involved in public school choice programs.

Policy Questions:

States and districts may use program funds received from ESEA's Voluntary Public School Choice program to create public information campaigns and implement public school choice policies that target low-income student participation. Policymakers need to ask:

- How can states better inform parents of their school choice options?
- What kinds of information campaigns can states run to reach out to low-income families?
- What kinds of policies target low-income student participation?
- What steps will states and districts take to improve the performance of struggling students who do not exercise choice and stay in their assigned school?

Possible Solutions:

The establishment of public school choice information centers throughout poor school districts is one possible way of targeting low-income children. Such centers will allow parents to learn about choice programs when they visit the post office or the grocery store. Information on public school choice programs also can be mailed directly to parents to help spread awareness of the available education options.

Through their charter school programs, states and districts may also encourage public schools to serve disadvantaged students. For example, in Connecticut, the state board of education must give preference to charter school in which 75% or more of the enrolled students are projected to be members of racial or ethnic minorities. In Illinois and North Carolina, preference in the approval process must be given to charter schools designed to serve substantial proportions of at-risk children.

Space

Increasing capacity is important because space considerations constitute a key challenge for public school choice programs. Waiting lists for high-performing public schools are already lengthy without the added burden of more applicants. Beyond spatial concerns, it is questionable whether high-performing public schools will want to risk their high test scores and sterling reputations by accepting potentially underachieving students.

Policy Questions:

The Innovative Programs and Voluntary Public School Choice provisions of the new ESEA aim to increase the capacity of high-demand schools so that they may serve greater numbers of students. Achieving this goal, however, is a complicated process.

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Policymakers need to ask:

- How will states and districts deal with the space considerations in high-demand schools?
- Will states and districts require schools to amend their admission policies to give students from low-performing schools a better chance of enrolling in the school (e.g., states and districts may require a lottery for admission to a school or for a certain percentage of seats at a school)?
- How will more rural states and districts with limited schooling options comply with the expanded public school choice provisions in ESEA?

Possible Solutions:

A possible solution to this problem is to provide incentives to schools that admit low-income children or students of color into their programs. High-performing schools may be granted a grace period so that only new students' yearly progress on test scores will count for a period of three years, as opposed to their absolute test scores. Additional funding may also be provided to schools who admit a higher number of low-income or minority children.

Transportation

A major stumbling block to the participation of low-income students in school choice programs is a lack of transportation. If poor families are required to provide transportation to the school of their choice, many cannot afford to send their children to schools outside of their immediate neighborhood.

Policy Questions:

ESEA requires that a portion of the grants states receive from the Voluntary Public School Choice program cover transportation costs. With this in mind:

- What transportation policies are currently in effect to help low-income students travel to a school of their choice?
- If none exist, what programs will be put in place to enable students to attend schools outside their district, e.g., means-tested transportation grants to families?
- What are the unique transportation challenges facing the urban and rural school districts in the state?

Possible Solutions:

Some states have implemented transportation policies to bolster low-income participation in open-enrollment programs. Delaware provides payments to low-income families that are equal to the average cost per student of transportation within the district. New Jersey automatically provides transportation to students who live more than two miles outside the receiving district's school of attendance. Connecticut provides grants to regional education service centers or local boards of education to cover "reasonable" transportation costs of students participating in open-enrollment programs.

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Funding

The funding of public school choice programs is a complicated issue. Many low-performing districts operate at a financial disadvantage compared to wealthier school districts, and the prospect of losing students means a loss of much-needed resources. Conversely, if high-performing school districts are required to accept more students from low-performing schools into their system, how will they finance the additional students?

Policy Questions:

Since ESEA provides states with increased federal money for public school choice programs, some important questions are:

- How will states allot the block grants received from the Innovative Programs, Charter School Programs, Voluntary Programs and Magnet Schools Assistance portions of ESEA and for what programs (magnet schools, open-enrollment programs, charter schools) will funds be allocated?
- If a student leaves one school district for another, will the state provide any funds to the sending district?
- If a well-performing school district is forced to accept a student from a low-performing school, how will that district be compensated?

Possible Solutions:

To help address funding problems, states and districts can create weighted per-pupil funding formulas that allocate resources based on each student's education needs. Under such formulas, certain students would receive a higher per-student spending allotment because of a variety of factors such as income level, achievement level, learning disabilities and language proficiency. States and districts can also allow the money to follow the child to the public school he or she attends.

Conclusion

As states and districts implement public school choice strategies under the new ESEA, they need to closely monitor the quality and equity that results from these programs. Whatever strategies are used, the ESEA provides states and districts with the challenge and opportunity to use public school choice programs to provide a quality education to a greater number of students, particularly those from disadvantaged backgrounds.

Resources

ECS has available several publications that summarize and explain ESEA 2001 and President Bush's *No Child Left Behind* proposal. The ECS/ESEA Web site is located at: www.ecs.org.

No State Left Behind: The Challenges and Opportunities of ESEA 2001 (GP-02-01), 70 pages, $12.50 plus postage and handling – Summarizes the ESEA 2001 law, looks at where the states stand in regard to requirements of the new law and suggests policy questions to consider when deciding how to respond to ESEA.

This *Brief* was written by **Carl Krueger**, researcher, and **Todd Ziebarth**, program director, governance at the Education Commission of the States.

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Building on Progress: How Ready Are States To Implement President Bush's Education Plan? (GP-01-01), 20 pages, $6.50 plus postage and handling – Examines how prepared states are to implement the new ESEA. Looks at state efforts to date in testing, standards, choice, school safety, rewards and sanctions, and other issues.

A Closer Look: State Policy Trends in Three Key Areas of the Bush Education Plan - Testing, Accountability and School Choice (GP-01-02), 36 pages, $6.50 plus postage and handling – Provides a detailed look at where states stand in assessing student performance, motivating and assisting low-performing schools, and providing school choice options.

For additional information on the issues discussed in this policy brief, visit the ECS Governance Issue Site at http://www.ecs.org/html/issue.asp?issueid=68

Visit the ECS ESEA Web site at:
http://www.ecs.org/ecsmain.asp?page=/html/special/ESEA_main.htm

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